



CODERA ANALYTICS

CPI NOWCAST JULY 2025

Our June 2025 forecasts beat analysts consensus



Headline

Actual: 3.0%

Codera: 3.0%

Analysts: 3.1%

Core

Actual: 2.9%

Codera: 3.0%

Analysts: 3.0%

CPI Components: Surprises and Contributions to year-on-year Core Inflation

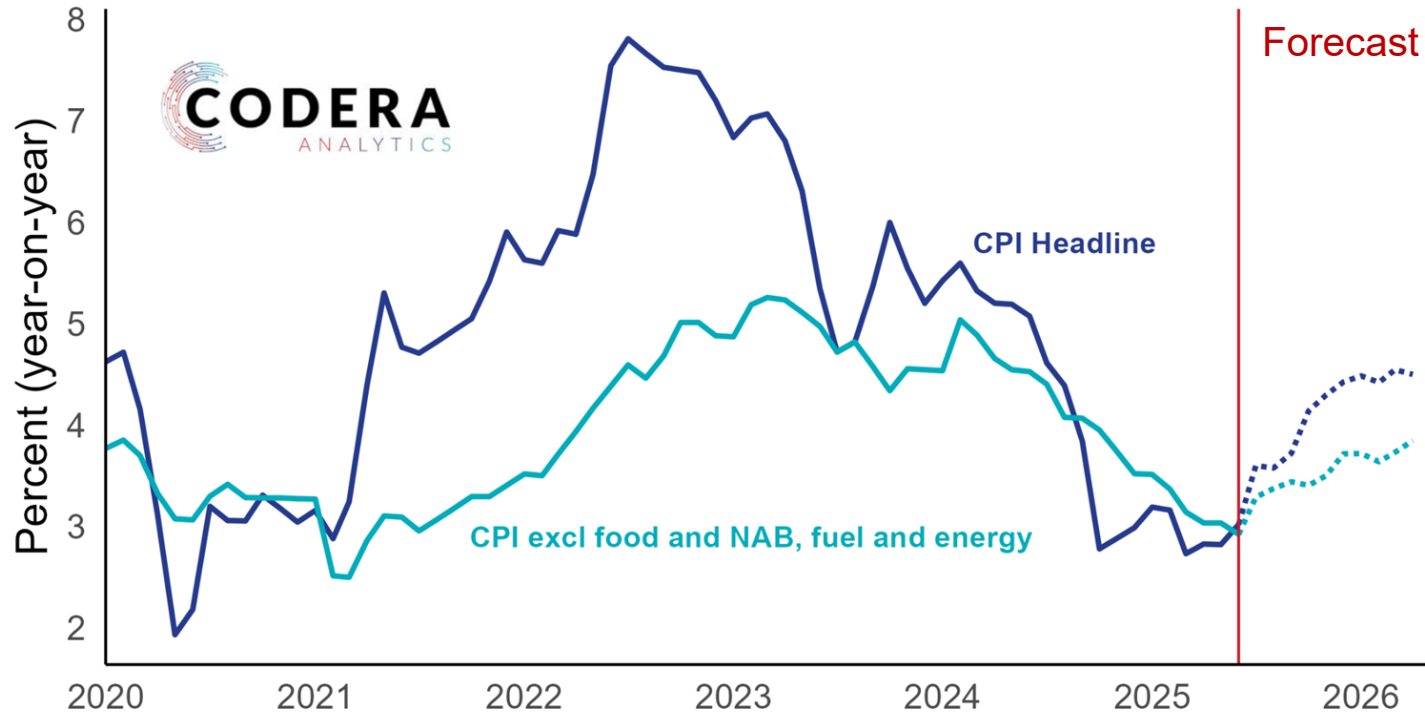
	Actual	Forecast	Weight	Core	Surprise (ppt)	Weighted Surprise (ppt)
Personal care	0.70%	3.82%	1.88%	TRUE	-3.124	-0.059
Insurance	7.92%	8.22%	11.28%	TRUE	-0.294	-0.033
Passenger transport services	-2.20%	-1.53%	3.90%	TRUE	-0.673	-0.026
Operation of personal transport equipment	-7.99%	-7.66%	1.87%	TRUE	-0.328	-0.006

The downward surprise in core forecast stemmed from the “transport” division’s components

Nowcasts for July 2025 CPI Outturn

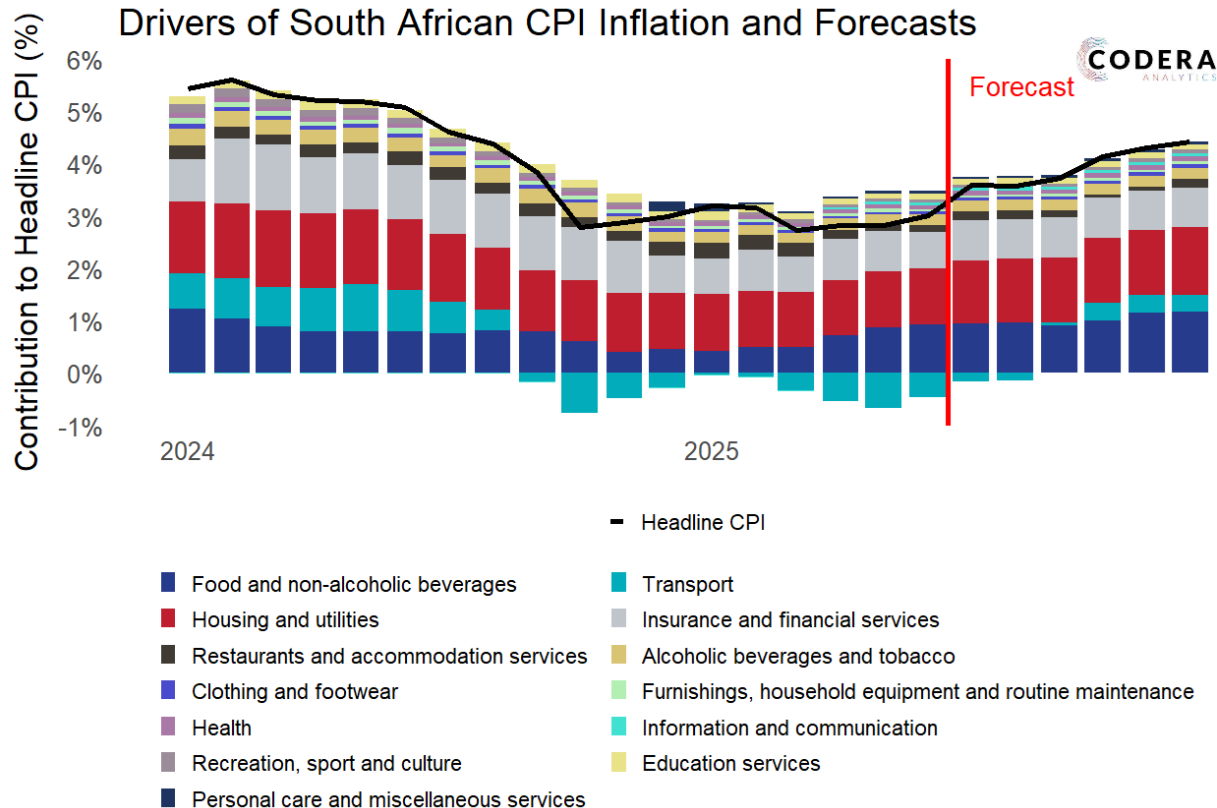


Codera CPI forecasts for South Africa



Source: StatsSA, EconData, Codera Analytics

Drivers of 2025 Headline CPI Nowcasts



Source: Stats SA, EconData, Codera Analytics.

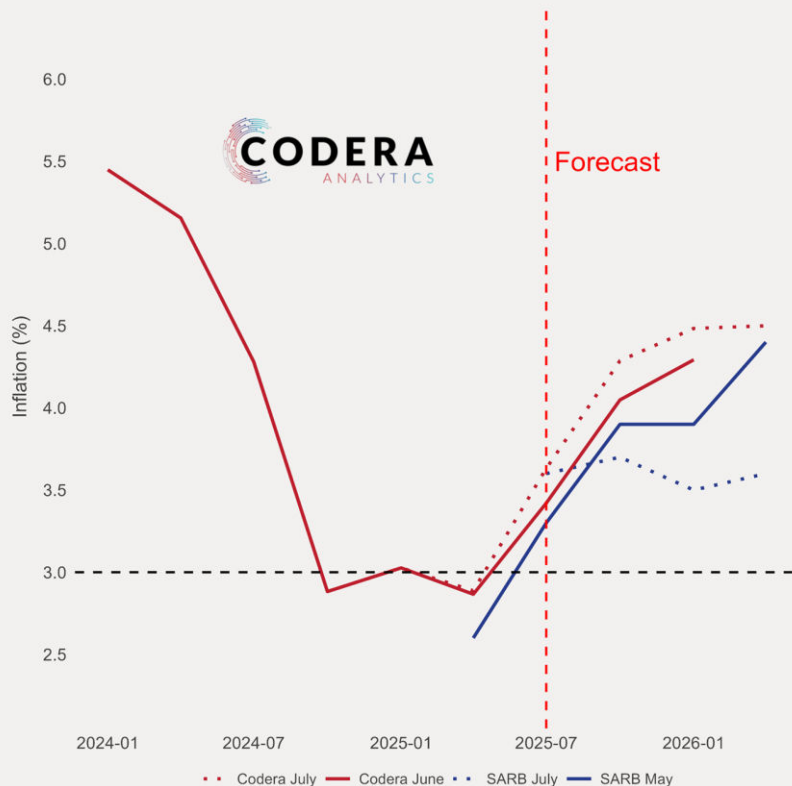
- Domestic inflationary pressure starting to tick up from previous months
- Significant administered price inflation is forecasted to boost the housing and utilities division
- We see an easing of fuel deflation, reversing the trend observed in 2025H1 - base effects are phasing out

Codera's Headline Projection vs SARB's



SARB vs Codera: Updated Headline Inflation Forecasts

Our nowcasts show inflation picking up over the next 6 months and that it will be difficult for the SARB to achieve a 3% target without the government's help.



SARB has substantially revised their headline profile downwards at the latest MPC (1 August 2025)

SARB's new headline profile has inflation closer to 3% as they eye an inflation target policy shift

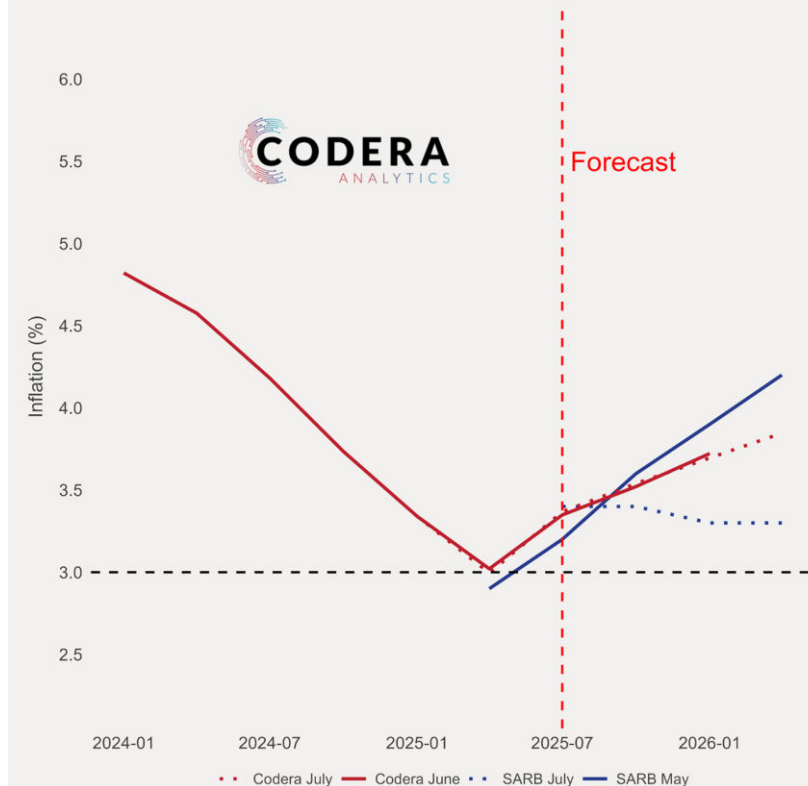
NOTE: Codera's forecasts have been averaged over each quarter to align with the SARB MPC forecast frequency

Codera's Core Projection vs SARB's



SARB vs Codera: Updated Core Inflation Forecasts

Our nowcasts show inflation picking up over the next 6 months and that it will be difficult for the SARB to achieve a 3% target without the government's help.



SARB's core profile revision is much larger than for headline

Codera's forecast core inflation trending upwards in 2025H2

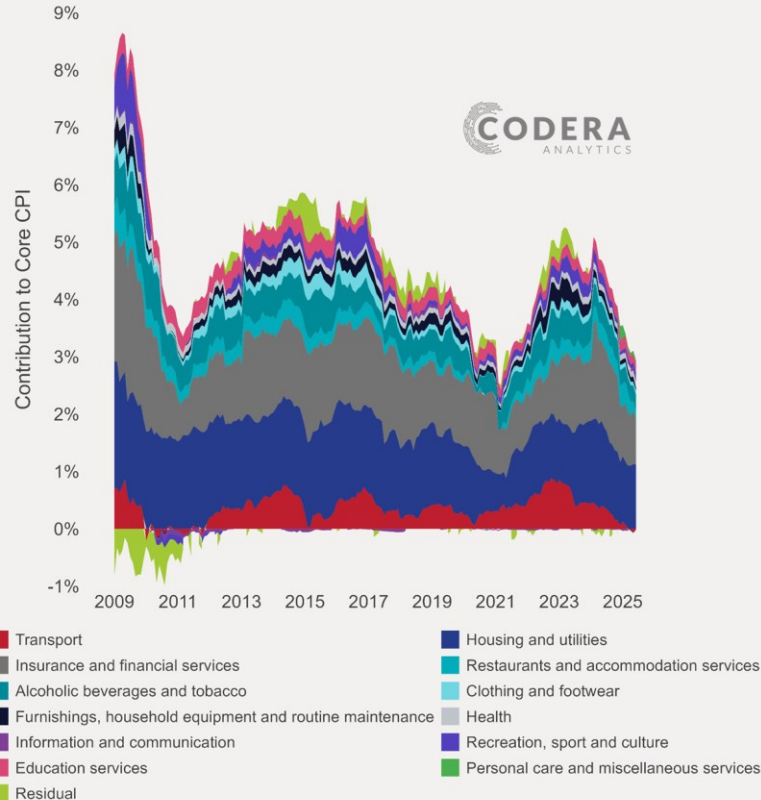
SARB's latest forecasts have core trending down, stabilizing just above 3%

NOTE: Codera's forecasts have been averaged over each quarter to align with the SARB MPC forecast frequency

Historical Drivers of CPI

Drivers of Core CPI in South Africa

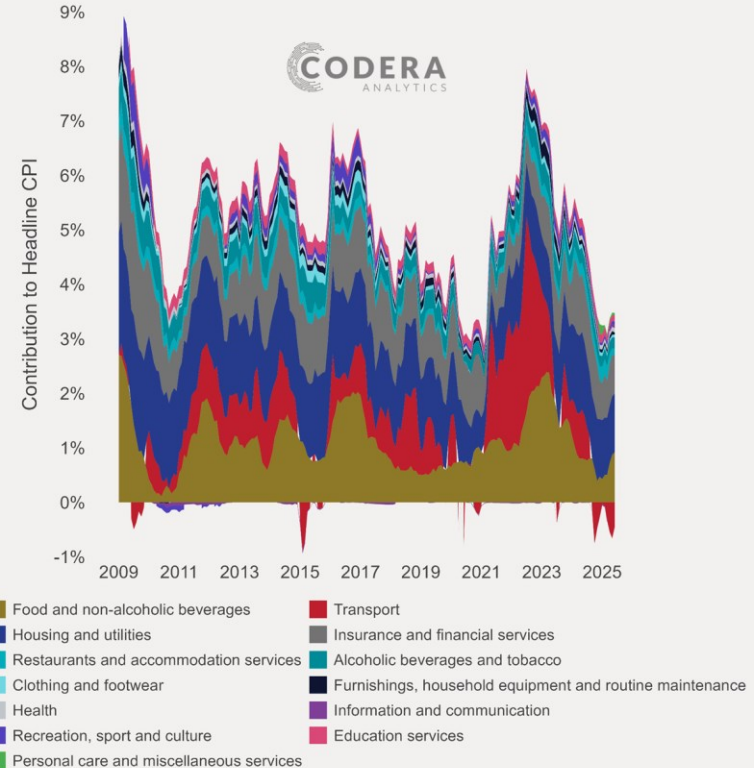
Core inflation pressure remains benign, with the exception of administered categories such as water and electricity.



Source: Stats SA, EconData, Codera Analytics.

Drivers of Headline CPI in South Africa

Housing and utilities has been the largest contributing division, while fuel price declines have helped to pull down headline inflation in recent months.



Source: Stats SA, EconData, Codera Analytics.



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